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AUTHOR McLaughlin, Megan E.
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ABSTRACT

The centerpiece of the 1988 Family Support Act (FSA) is the Job Opportunities and Basic Skills (JOBS) Act, which directs states to provide a broad range of educational, training, and employment services. FSA offers states an opportunity to design humane and effective programs to assist welfare recipients to move out of poverty. FSA also has problems, however, foremost being its failure to address the level of benefits, its lack of JOBS program funding, and its failure to deal with the critical issue of job creation. While there is general agreement that the country's welfare systems need to be reformed, in the current debate about welfare, little mention is made of the impact of the economy, structural unemployment, declining real wages, and short-sighted government policies on poverty and welfare. Real welfare reform must begin by dispelling popular myths about welfare recipients and by defining the nature of the "welfare problem." The next step is the development of an economic security plan to ensure survival above poverty through employment, public transfers, and other essential social supports throughout a lifetime. Many components of such a plan are already in place. Others would include federalizing and expanding Aid to Families with Dependent Children to raise benefits to the poverty level; instituting child support programs; raising the minimum wage; reviewing and expanding unemployment insurance; overhauling the federal tax program; guaranteeing jobs; and integrating social supports. (AC)

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Welfare Reform: Implications for the Black Child

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Prepared by:
Megan E. McLaughlin, DSW
Executive Director/CEO

Prepared for:
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WELFARE REFORM: IMPLICATIONS FOR THE BLACK CHILD

I FEEL COMPELLED TO BEGIN BY COMMENTING ON WHAT I CONSIDER TO BE A MOST CRITICAL ASPECT OF THE DEBATE ABOUT WELFARE REFORM AND THAT IS THE ATMOSPHERE IN WHICH THE DISCUSSION IS TAKING PLACE. IT IS FAIR TO SAY THAT ANY POLICY THAT EVOLVES IN THIS CURRENT CONTEXT IS LIKELY TO FAIL BECAUSE THE ATMOSPHERE CAN ONLY BE CHARACTERIZED AS ONE THAT IS POISONED, ONE THAT DENIGRATES AND TRIVIALIZES POOR PEOPLE AND THEIR NEEDS. WE MUST BE CONCERNED THAT WE DO NOT TAKE ONE STEP FORWARD WITH THE 1988 WELFARE REFORM LEGISLATION AND TWO STEPS BACK.

ACROSS THE COUNTRY POLITICIANS--FROM THE EXTREMISTS SUCH AS DAVID DUKE IN LOUISIANA TO THE MORE MODERATES SUCH AS GOVERNOR FLORIO IN NEW JERSEY--THE MESSAGE IS THAT WELFARE RECIPIENTS ARE AT THE ROOT OF ALL OUR ECONOMIC AND SOCIAL PROBLEMS. FACED WITH HARD ECONOMIC TIMES, MANY HAVE FOUND WELFARE A CONVENIENT SCAPEGOAT.

I AM DISHEARTENED ABOUT THE LEVEL OF THE DEBATE. ONE SENATOR IN NEW YORK'S NINTH DISTRICT CIRCULATED A POLITICAL ADVERTISEMENT CHARACTERIZING ALL PEOPLE ON WELFARE AND MEDICAID AS "WELFARE CHEATS AND MEDICAID THIEVES" AND BLAMING THEM FOR THE RISE IN PROPERTY TAXES AND THE DECLINE IN OUR EDUCATIONAL SYSTEM. (SOURCE: LETTER FROM SENATOR DEAN G. SKELOS, 9TH

DISTRICT, DATED DECEMBER 13, 1991).

ANOTHER, THE CHAIR OF THE NEW YORK STATE SENATE SOCIAL SERVICES COMMITTEE SENT A LETTER TO HIS CONSTITUENCY, AND HIGHLIGHTED IN THE NEW YORK TIMES WHICH PURPORTED TO DOCUMENT "THE CLASSIC EXAMPLE OF FRAUD IN NEW YORK'S WELFARE SYSTEM TODAY" BY SINGLING OUT THE CASE OF A QUEENS CAB DRIVER, ABDUL MAJEED, WHO ALLEGEDLY LAUNDERED THOUSANDS OF DOLLARS THROUGH HIS WIFE'S BANK ACCOUNT" (SOURCE: LETTER FROM SENATOR HOLLAND, DATED JANUARY 21, 1992). HOW EASY IT MUST HAVE BEEN TO FIND A WELFARE OR MEDICAID CHEAT WITH THAT NAME, ABDUL MAJEED! WHAT IMAGE WAS BEING CONJURED UP BY THIS NAME? HOW MANY ABDUL MAJEEDS ARE THERE ON WELFARE? TRAGICALLY, SENATOR HOLLAND'S LETTER GOES ON TO PIT WELFARE RECIPIENTS AGAINST SCHOOL CHILDREN, THE ELDERLY AND THE MIDDLE CLASS. IN SAN DIEGO, A POLL TAKEN ADVISED THE CANDIDATE TO "CREATE A STORM OF PUBLICITY" BY PROPOSING DEEP CUTS IN WELFARE. THE POINT IS THAT WELFARE IS BEING EXPLOITED. ACCORDING TO LAWRENCE MEAD, A FERVENT DISCIPLE OF THE RIGHT, "THE LARGEST DIFFERENCE BETWEEN THE PARTIES IS NOT OVER ECONOMIC POLICY BUT RATHER THE VIEW ONE TAKES ABOUT POOR PEOPLE (NEW YORK TIMES, MARCH 15, 1992).

WELFARE AS WE POPULARLY KNOW IT TODAY HAD ITS ORIGINS IN THE SOCIAL SECURITY ACT OF 1935. <u>AID TO DEPENDENT CHILDREN</u> WAS

ENACTED INTO LAW AS TITLE IV-A OF THE SOCIAL SECURITY ACT OF 1935. PRIOR TO AID TO DEPENDENT CHILDREN, MANY STATES HAD MOTHERS' AID LAWS WHICH PROVIDED LIMITED RELIEF TO POOR MOTHERS SO THAT THEIR CHILDREN COULD STAY WITH THEM RATHER THAN BE INSTITUTIONALIZED. BUT AID TO DEPENDENT CHILDREN WAS THE FIRST FEDERAL LEGISLATION AIMED AT PROVIDING FINANCIAL ASSISTANCE TO POOR CHILDREN.

IN 1962 AMENDMENTS TO THE SOCIAL SECURITY ACT, BENEFITS WERE EXTENDED TO CARETAKERS--PRIMARILY MOTHERS--AND THE PROGRAM BECAME AID TO FAMILIES WITH DEPENDENT CHILDREN (AFDC).

SINCE 1962 THERE HAVE BEEN SEVERAL ATTEMPTS TO PASS LEGISLATION REFORMING WELFARE. PRESIDENT NIXON'S FAMILY ASSISTANCE PLAN (FAP) WHICH WAS INTRODUCED IN 1969. DEVELOPED BY DANIEL PATRICK MOYNIHAN, FAP WAS PROPOSED AS A SOLUTION TO THE "PROBLEM OF DEPENDENCY," AND PROPOSED STRINGENT WORK REGISTRATION REQUIREMENTS AND SUBPOVERTY CASH BENEFITS. HOWEVER, IT INCLUDED A REVOLUTIONARY ELEMENT WHICH WAS DOWNPLAYED BY NIXON, AND WAS A FEDERALLY GUARANTEED INCOME FOR POOR FAMILIES WITH CHILDREN. FAP WAS DEBATED FOR FOUR YEARS BEFORE BEING DEFEATED.

IN 1977 PRESIDENT JIMMY CARTER MADE ANOTHER ATTEMPT TO

REFORM WELFARE. HIS BETTER JOBS AND INCOME PLAN PROVIDED FOR BOTH CASH AND JOBS AND EXTENDED ELIGIBILITY BEYOND FAMILIES WITH CHILDREN TO CHILDLESS COUPLES AND SINGLE INDIVIDUALS.

THE ENACTMENT OF MOYNIHAN'S FAMILY SUPPORT ACT OF 1988 CULMINATED TWENTY YEARS OF EFFORTS TO REFORM AFDC AND REPRESENTED A SHARP BREAK FROM THE PAST. AFDC WAS ORIGINALLY DESIGNED TO ENABLE SINGLE MOTHERS TO STAY HOME WITH THEIR CHILDREN. THE 1988 FSA MANDATES THE EMPLOYMENT OF AFDC MOTHERS OUTSIDE THE HOME. THE ACT, IN EFFECT, TRANSFORMS AFDC FROM AN INCOME MAINTENANCE PROGRAM INTO ONE THAT REQUIRES EMPLOYMENT AND TRAINING FOR WORK.

ONE MAY ASK, WELL ISN'T THAT GOOD? AREN'T WE ALL IN FAVOR OF TRAINING AND EMPLOYMENT OVER WELFARE? THE ANSWER IS THAT FSA OFFERS SOME OPPORTUNITIES BUT IT DOES NOT BRING FAMILIES TOGETHER. IT DOES NOT OFFER THEM ECONOMIC SECURITY AND IT DOES NOT PROTECT THEIR CHILDREN FROM IMPOVERISHMENT.

LET ME SUMMARIZE THE MAJOR PROVISIONS OF THE 1988 FSA AND THEN DISCUSS THE OPPORTUNITIES AND PITFALLS THE ACT PRESENTS. ONE OF THE MAJOR COMPONENTS, PERHAPS THE CENTERPIECE, OF THIS LEGISLATION IS THE JOB OPPORTUNITIES AND BASIC SKILLS ACT (JOBS) WHICH DIRECTS STATES TO PROVIDE A BROAD RANGE OF EDUCATIONAL,

TRAINING AND EMPLOYMENT SERVICES. STATES MUST OFFER EDUCATIONAL ACTIVITIES SUCH AS HIGH SCHOOL OR EQUIVALENT EDUCATION, BASIC AND REMEDIAL EDUCATION FOCUSED ON LITERACY AND EDUCATION FOR INDIVIDUALS WITH LIMITED ENGLISH PROFICIENCY AND STATES MUST PROVIDE JOBS SKILLS TRAINING; JOB READINESS ACTIVITIES AND JOB DEVELOPMENT AND PLACEMENT.

OF PARTICULAR NOTE IS THAT FSA MANDATES THAT ALL RECIPIENTS OF AFDC MUST PARTICIPATE IN THE JOBS PROGRAM INCLUDING PARENTS PERSONALLY PROVIDING CARE FOR A CHILD/CHILDREN THREE OR OVER AND GIVES STATES AUTHORITY TO MANDATE PARTICIPATION WHEN THE CHILD IS BETWEEN ONE AND THREE. PARENTS OF CHILDREN THREE TO SIX ARE EXEMPT UNLESS THE STATE GUARANTEES CHILD CARE TO THEM.

CHILD CARE - AS PART OF ITS JOBS PROGRAM, THE STATE MUST GUARANTEE CHILD CARE TO PERSONS RECEIVING AFDC IF IT IS DETERMINED TO BE NECESSARY FOR THE FAMILY TO ACCEPT EMPLOYMENT OR REMAIN EMPLOYED OR PARTICIPATE IN A STATE APPROVED EDUCATION AND TRAINING ACTIVITY.

TRANSITIONAL CHILD CARE - FURTHER FSA MANDATES THAT STATES MUST PROVIDE UP TO ONE YEAR OF CHILD CARE ASSISTANCE IF THE STATE DEEMS THAT IT IS NECESSARY FOR EMPLOYMENT OR IF THE RECIPIENT LOSES AFDC ELIGIBILITY DUE TO INCREASED HOURS OF WORK

OR WAGES FROM EMPLOYMENT.

OTHER TRANSITIONAL SUPPORT SERVICES - FSA ALSO MANDATES PROVISION OF OTHER SERVICES, MOST NOTABLY MEDICAID ASSISTANCE. PRIOR TO THE FSA, STATES WERE REQUIRED TO PROVIDE FOUR MONTHS OF INTENDED MEDICAID BENEFITS TO FAMILIES LEAVING AFDC FOR WORK. WITH FSA, STATES MUST PROVIDE UP TO ONE YEAR OF CONTINUED MEDICAID ASSISTANCE. OTHER TRANSITIONAL SERVICES PROVIDED UNDER FSA INCLUDE WORK-RELATED EXPENSES SUCH AS TRANSPORTATION.

AFDC-UP - FSA CHANGED THE AFDC-UP PROGRAM FROM ONE THAT WAS OPTIONAL TO ONE THAT ALL STATES WERE MANDATED TO OPERATE. AFDC-UP PROVIDES BENEFITS TO TWO-PARENT FAMILIES IN WHICH A WAGE EARNER IS UNEMPLOYED.

THE MINOR PARENT PROVISIONS - GIVES TO STATES THE OPTION TO REQUIRE THAT A MINOR UNDER THE AGE OF 18 WHO HAS NEVER MARRIED AND WHO HAS A CHILD (OR IS PREGNANT) MAY RECEIVE ASSISTANCE ONLY IF SHE RESIDES IN A SUPERVISED SETTING, I.E., WITH A PARENT, LEGAL GUARDIAN, ADULT RELATIVE OR OTHER SUPERVISED LIVING ARRANGEMENT.

CHILD SUPPORT ENFORCEMENT - IS AN IMPORTANT PROVISION OF

FSA. IT DETERMINES THAT POOR WOMEN MUST SIGN OVER TO THE STATE THEIR RIGHT TO CHILD SUPPORT ORDERS. WHEN THE STATE COLLECTS, THE MONEY IS USED TO REIMBURSE THE STATE EXCEPT THAT THE FIRST $50 IS GIVEN TO THE RECIPIENT FAMILY. FSA ALSO MANDATES THAT STATES OFFER THEIR ENFORCEMENT SERVICES TO FAMILIES THAT DO NOT RECEIVE WELFARE.

REEVALUATION OF BENEFIT LEVELS - STATE MUST REEVALUATE AFDC NEED AND PAYMENT.

THE OPPORTUNITIES

WHILE NOT PERFECT, THE FAMILY SUPPORT ACT OF 1988 IMPLEMENTS THE JOBS PROGRAM AND GUARANTEED CHILD CARE, MEDICAID BENEFITS AND OTHER SUPPORTS TO ENABLE WOMEN AND MEN ON AFDC TO BE ABLE TO GO TO SCHOOL, RECEIVE TRAINING, HOLD A JOB AND TAKE CARE OF THEIR FAMILIES.

- FSA OFFERS AN OPPORTUNITY FOR STATES TO DESIGN HUMANE AND EFFECTIVE PROGRAMS TO ASSIST WELFARE RECIPIENTS TO MOVE OUT OF POVERTY.
- FSA GIVES STATES THE ABILITY TO INCREASE ACCESS TO POST-SECONDARY EDUCATION FOR AFDC RECIPIENTS. THE NEW "JOBS" PROGRAM CAN HELP FOSTER THE ENROLLMENT OF DISADVANTAGED PEOPLE IN COLLEGE AND DECREASE THE BARRIERS THAT KEEP THEM FROM OBTAINING AN ADVANCED DEGREE.

- UNDER FSA, STATES MAY EITHER DIRECTLY FUND OR ARRANGE FOR POST-SECONDARY EDUCATION, OR MAY CHOOSE TO ALLOW INDIVIDUALS ALREADY IN POST-SECONDARY EDUCATION, TO CONTINUE THAT EDUCATION AT THE POINT THEY WOULD OTHERWISE BE REQUIRED TO PARTICIPATE IN JOBS (THE EMPLOYMENT COMPONENT OF FSA).
- SIMILARLY, UNDER FSA, SUPPORTIVE SERVICES CAN BE USED TO HELP PAY FOR SOME OF THE EXTRA COSTS INCURRED AS A RESULT OF ATTENDING A HIGHER EDUCATION PROGRAM.
- FSA INVOLVES NEW FEDERAL FUNDING FOR STATES (UP TO $800 MILLION IN FISCAL YEAR 1990) AT THE FEDERAL MATCH RATE OF 50 TO 60 PERCENT. IF STATES PROVIDE MATCHING FUNDS TO DRAW DOWN ALL OR MOST OF THEIR FEDERAL ALLOTMENT, THIS POLICY POTENTIALLY OFFERS A SIGNIFICANT SOURCE OF FUNDING TO EXPAND EDUCATIONAL PROGRAMS FOR AFDC RECIPIENTS.

SOME OF THE PROBLEMS WITH FSA

FIRST AND FOREMOST, THE FSA DID NOT ADDRESS THE LEVEL OF BENEFITS. BENEFIT LEVELS ARE TOO LOW IN ALL STATES AND WELFARE GRANTS ARE NOT INDEXED TO THE COST OF LIVING. THE TYPICAL AFDC CHECK KEEPS FAMILIES LIVING AT 58 PERCENT BELOW THE POVERTY LEVEL ($11,570 FOR A FAMILY OF THREE) AND ABSENT A FEDERAL MINIMUM, STATES ARE FREE TO REDUCE THE ALREADY LOW LEVEL OF PAYMENTS.

SECOND, THE BILL IMPOSED ADDITIONAL BURDENS ON THE STATES BY NOT INCLUDING FUNDING FOR THE JOBS PROGRAM. RATHER, STATES ARE REQUIRED TO PROVIDE A 50 PERCENT MATCH TO DRAW DOWN FEDERAL DOLLARS. GIVEN THE SERIOUS ECONOMIC SITUATION, STATES HAVE NOT USED THE MAXIMUM FEDERAL DOLLARS AVAILABLE. IN NEW YORK STATE, FOR EXAMPLE, ABOUT $20-40 MILLION HAS BEEN LOST BECAUSE THE STATE DID NOT COMMIT THE AMOUNT NEEDED TO ENABLE IT TO TAP ALL THE FEDERAL DOLLARS AVAILABLE.

THIRD, THE BILL FAILED TO DEAL WITH THE CRITICAL ISSUE OF JOB CREATION. IT IGNORES THE FACT THAT JOBS ARE NOT AVAILABLE AND THAT MANY DO NOT PAY ENOUGH TO ENABLE A PARENT TO SUPPORT HER FAMILY.

OTHER CONCERNS ARE: A) THE REQUIREMENT OF MANDATORY PARTICIPATION IN THE JOBS PROGRAM; B) THE INCLUSION OF MOTHERS OF YOUNG CHILDREN, PERHAPS AS YOUNG AS ONE YEAR (IF THE STATE SO MANDATES); C) THE BROAD DISCRETION GIVEN TO STATES THUS MAKING IT POSSIBLE FOR SOME TO DEVELOP VERY RESTRICTIVE PROGRAMS.

IN MY VIEW IT IS IMPORTANT FOR ADVOCATES TO RESPOND TO THESE ATTACKS. THERE IS GENERAL AGREEMENT THAT WELFARE NEEDS FURTHER REFORM. BUT, THIS IS NOT THE TIME FOR HALF-TRUTHS. THIS IS NOT THE TIME TO PLAY ON PEOPLE'S FEARS. IT DOES NOT

BENEFIT OUR CITIES, STATES OR NATION TO USE MEAN-SPIRITED RHETORIC TO DIVIDE URBAN FROM SUBURBAN, RICH FROM POOR.

AS NEW YORK'S GOVERNOR CUOMO STATED:

> "IT'S NOT WELFARE THAT THREATENS US. IT'S A LACK OF JOBS. IT'S GROWING POVERTY. IT'S A LOW-WAGE ECONOMY. IT'S LAGGING COMPETITIVENESS...AND THE UNWILLINGNESS TO ADMIT IT." (SOURCE: NICHOLAS GOLDBERG, "THE MARIO SCENARIO GOES TO BOSTON," NEWSDAY, FEBRUARY 13, 1992, P.17).

THIS IS THE TIME FOR OUR LEADERS TO SHOW THEIR METTLE AND ACCURATELY DEFINE PROBLEMS AND SEEK REALISTIC SOLUTIONS. WE KNOW AS A FACT THAT, IF THE WELFARE SYSTEM DISAPPEARED TODAY, THE STATE AND THE NATION WOULD STILL HAVE THEIR ECONOMIC AND SOCIAL PROBLEMS. IT IS DISHONEST TO DEFINE WELFARE AS THE ROOT OF ALL PROBLEMS. YES, IT IS TRUE -- AND WHO CAN DENY THE FACT -- THAT WE NEED TO REFORM THE WELFARE SYSTEMS SO IT CAN BETTER SERVE THE NEEDS OF PEOPLE. THIS SHOULD BE OUR COMMON GOAL. BUT, IT IS FOOLISH TO DISCUSS WELFARE REFORM WITHOUT DISCUSSING POVERTY AND UNEMPLOYMENT.

<u>POVERTY</u>

POVERTY IS A LONG STANDING NATIONAL PROBLEM. AT ONE TIME, NOT SO LONG AGO, THERE WAS SOME CONCERN ABOUT THE POOR AND WE

WAGED A WAR ON POVERTY. BUT THE REAGAN AND BUSH ADMINISTRATIONS SPAWNED AN ERA OF GREED AND SELFISHNESS THAT LEGITIMIZED A WAR ON "THE POOR." IN THE CURRENT DEBATE ABOUT WELFARE, LITTLE MENTION IS MADE OF THE IMPACT OF THE ECONOMY, STRUCTURAL UNEMPLOYMENT, DECLINING REAL WAGES AND SHORT-SIGHTED GOVERNMENT POLICIES ON POVERTY AND WELFARE. RATHER, POVERTY IS DEPICTED AS AN INDIVIDUAL DEFECT, AS SOMETHING BROUGHT ON ONE'S SELF.

THE NEWEST CENSUS DATA WHICH TRACKED INCOME OF THE 1980S SHOWED THAT THE NUMBER OF POOR GREW BY 4.3 MILLION IN THE 80S, FROM 27 MILLION TO 31 MILLION. IN NEW YORK CITY, THE NUMBER OF PEOPLE ON WELFARE REACHED ONE MILLION, INCREASING AS UNEMPLOYMENT INCREASED. THE DATA ALSO SHOWED THAT THE FACE OF POVERTY HAS CHANGED DRAMATICALLY. PRINCIPALLY BECAUSE SOCIAL SECURITY BENEFITS ARE INDEXED TO INFLATION, THE ELDERLY HAVE BEEN REPLACED BY WOMEN AND CHILDREN AS THE MAJOR VICTIMS OF POVERTY. 1 IN 5 CHILDREN IN THE COUNTRY IS POOR. BLACK CHILDREN ARE AMONG THE POOREST IN THE NATION; SOME 45% OF BLACK CHILDREN UNDER 18 ARE POOR. AND, BLACK CHILDREN LIVING IN SINGLE FEMALE HEADED HOUSEHOLDS ARE THE POOREST OF THE POOR.

A RECENT REPORT BY THE JOINT CENTER FOR POLITICAL AND ECONOMIC STUDIES ENTITLED "THE DECLINING ECONOMIC STATUS OF BLACK CHILDREN: EXAMINING THE CHANGE" CONCLUDES THAT ONE OF THE

MAIN REASONS FOR INCREASING POVERTY AMONG BLACK CHILDREN IS THE DECLINE IN JOB OPPORTUNITIES FOR THE HEADS OF HOUSEHOLDS IN WHICH THEY LIVE. SEVERAL FACTORS SUPPORT THEIR THEORIES:

- o UNEMPLOYMENT RATES ARE DISPROPORTIONATELY HIGH IN THE BLACK COMMUNITY. THE RATE OF UNEMPLOYMENT FOR BLACKS IS CONSISTENTLY TWICE THE RATE FOR WHITES AND THE DISCREPANCY IS EVEN GREATER WHEN THE HIDDEN UNEMPLOYMENT RATE IS FACTORED IN.
- o BLACKS ARE PRINCIPALLY IN THE LOWER PAYING INDUSTRIES SUCH AS SERVICE AND RETAIL TRADE SO THAT THOSE WHO DO HAVE JOBS EARN LESS THAN THEIR WHITE COUNTERPARTS.
- o THE PREDOMINANT FAMILY STRUCTURE AMONG BLACKS IS NOW THE FEMALE-HEADED HOUSEHOLD. BLACK WOMEN'S INCOME HAS BEEN CONSISTENTLY LOWER THAN ALL OTHER CATEGORIES OF WORKERS, EXCEPT LATINO WOMEN, DESPITE THEIR HIGH AND CONSISTENT RATE OF LABOR FORCE PARTICIPATION. LOW PAY IS A PRINCIPAL FACTOR IN THE POVERTY OF BLACK FEMALE-HEADED HOUSEHOLDS.
- o ANY ANALYSIS OF POVERTY MUST ALSO TAKE INTO ACCOUNT THAT AFRICAN AMERICAN MEN ARE UNDER SIEGE AND AT HIGH RISK. WHILE AFDC IS A TATTERED SAFETY NET FOR WOMEN AND CHILDREN, THERE HAVE BEEN RELATIVELY FEW PROGRAMS THAT HAVE HELPED POOR BLACK MEN. FOR INSTANCE, PRIOR TO FSA 24 STATES DID NOT HAVE AFDC-UP AND IN THESE FAMILIES ONE PARENT HAD TO LEAVE HOME IN ORDER FOR THE CHILDREN TO BE

ELIGIBLE FOR AFDC.

REAL WELFARE REFORM

I BELIEVE THAT IT IS VITALLY IMPORTANT FOR THE AFRICAN AMERICAN COMMUNITY TO BECOME INVOLVED IN THE WELFARE REFORM DEBATE. WE MUST CHALLENGE THE SYSTEM TO WORK FOR AFRICAN AMERICAN FAMILIES. WE CAN AND MUST CHANGE THE DEBATE SO THAT WHEN WE TALK ABOUT WELFARE REFORM, WE ARE TALKING ABOUT STRUCTURAL REFORM THAT WILL HELP TO BRING WOMEN, CHILDREN AND FAMILIES UP AND OUT OF POVERTY. OUR TALK MUST BE THAT OF ECONOMIC SECURITY. TO BEGIN WITH SOME OF OUR WORK MUST INVOLVE KNOWING THE FACTS AND THE MYTHS. YOU HAVE HEARD THEM, BUT LET ME REVIEW A FEW:

MYTH: NEARLY ALL PEOPLE ON WELFARE ARE BLACK AND HISPANIC.

FACT: NATIONALLY 66% OF THOSE ON WELFARE ARE WHITE.

MYTH: PEOPLE ON WELFARE ARE LAZY AND DO NOT WANT TO WORK.

FACT: MAJORITY OF WELFARE RECIPIENTS ARE CHILDREN. NATIONWIDE, OF THE 13.5 MILLION AFDC RECIPIENTS 9.1 MILLION ARE CHILDREN (HOUSE WAYS & MEANS COMMITTEE).

FACT: SURVEYS AND ANECDOTES OF WOMEN ON WELFARE HAVE ALWAYS POINTED OUT THAT THEY WOULD PREFER A DECENT PAYING JOB TO THE "PUBLIC DOLE." RESEARCH HAS NOT SHOWN SIGNIFICANT DIFFERENCES BETWEEN THE WORK ETHIC OF WOMEN ON WELFARE AND ANY OTHER GROUP.

MYTH: WOMEN ON WELFARE CONTINUE TO HAVE MORE BABIES TO GET ADDITIONAL MONEY.

FACT: THE AVERAGE FAMILY ON WELFARE HAS ONLY TWO CHILDREN, THE SAME NUMBER AS THE NATIONAL AVERAGE. 90 PERCENT OF FAMILIES ON WELFARE HAVE THREE OR FEWER CHILDREN.

FACT: THE BENEFIT INCREASES FOR ADDITIONAL CHILDREN, WHICH AVERAGE LESS THAN A THOUSAND DOLLARS A YEAR EVEN IN THE MOST GENEROUS STATES ARE FAR LESS THAN NECESSARY TO CARE FOR A CHILD. FOR EXAMPLE, IN NEW JERSEY, WHICH PASSED A MEASURE TO DENY COVERAGE FOR ADDITIONAL CHILDREN BORN TO UNWED MOTHERS ON AFDC WAS KEEPING A MEASLY $64 A MONTH FROM THE FAMILY.

MYTH: PEOPLE ARE STAYING ON WELFARE FOR GENERATIONS.

FACT: THE AVERAGE WELFARE CASE IS USUALLY OPEN FOR TWO YEARS OR LESS, ALMOST 1 IN 4 FAMILIES STAY ON FOR 10 OR MORE YEARS.

MYTH: WELFARE IS BANKRUPTING THIS NATION.

FACT: WE SPEND LESS THAN 1% OF THE NATIONAL BUDGET ON WELFARE.

WE WILL HAVE TO VIGOROUSLY DISPEL THESE MYTHS AND OTHERS THAT WILL BE PROMULGATED. WE MUST ALSO ORGANIZE AND WORK IN COALITIONS TO INFLUENCE THE STATES AND OF COURSE NATIONAL POLICIES. IN THAT REGARD WE MUST INFORM OURSELVES ABOUT THE

PROPOSALS THE PRESIDENTIAL CANDIDATES ARE OFFERING.

GOVERNOR CLINTON PLAYED A MAJOR ROLE IN LOBBYING FOR THE 1988 FAMILY SUPPORT ACT. HE IS CURRENTLY PROPOSING AN OVERHAUL THAT STRESSES JOB TRAINING AND WORK. HIS PLAN IS TO QUADRUPLE THE AMOUNT SPENT ON JOB TRAINING FOR WELFARE RECIPIENTS AND ADD TAX CREDITS FOR THE WORKING POOR. HE WOULD LIMIT MOTHERS ON WELFARE TO A STAY OF NO MORE THAN TWO YEARS AFTER WHICH THEY WOULD BE COMPELLED TO TAKE A JOB IN THE PRIVATE SECTOR OR PERFORM COMMUNITY SERVICE TO RECEIVE GOVERNMENT AID.

PRESIDENT BUSH'S MAJOR STRATEGY WOULD BE TO GIVE GREATER FLEXIBILITY TO THE STATES. HE HAS EXPRESSED SUPPORT FOR STATE PROGRAMS THAT WOULD REDUCE OR DENY BENEFITS TO SOME WELFARE RECIPIENTS WHO CONTINUE TO BEAR CHILDREN. HE WOULD ALSO ENCOURAGE EMPLOYERS TO HIRE THE POOR, IN SOME CASES, TO PAY THEM LESS THAN THE MINIMUM WAGE AND UNION RATES.

IN ORDER FOR US TO ARRIVE AT A DECISION REGARDING WHAT TRUE WELFARE REFORM OUGHT TO BE, WE MUST FIRST DETERMINE HOW WE DEFINE THE PROBLEM.

IS THE PROBLEM ROOTED PRIMARILY IN POOR WOMEN'S UNACCEPTABLE BEHAVIOR, NAMELY HAVING BABIES OUT-OF-WEDLOCK AND REMAINING DEPENDENT ON GOVERNMENT LARGESSE? IS IT MEN'S

IRRESPONSIBLE BEHAVIOR IN FAILING TO SUPPORT THEIR OFFSPRING? IF YES, THE SOLUTION IS TO PASS LAWS TO CHANGE THEIR BEHAVIOR. THAT IS, BEHAVIOR MODIFICATION POLICIES. WE SEE THIS SOLUTION REFLECTED IN THE RECENT FLURRY OF LAWS ACROSS THE COUNTRY PROMOTING "WEDFARE" (MONETARY INCENTIVES TO MARRIAGE), "LEARNFARE" (BENEFITS CONTINGENT ON CHILDREN'S SCHOOL ATTENDANCE) AND "REPRODUCTIONFARE" (CAPS ON FAMILY SIZE WHICH DENY ADDITIONAL BENEFITS TO WOMEN WHO HAVE CHILDREN WHILE RECEIVING AFDC).

DO WE DEFINE "THE WELFARE PROBLEM" AS STEMMING PRIMARILY FROM BROAD SHIFTS IN ECONOMIC AND SOCIAL FORCES BEYOND AN INDIVIDUAL'S CONTROL? FROM THIS PERSPECTIVE, THE SOLUTION DEMANDS SYSTEMIC CHANGES. THAT IS, THE DEVELOPMENT AND IMPLEMENTATION OF A COMPREHENSIVE PLAN TO ENHANCE ECONOMIC SECURITY AND TO REDUCE POVERTY--AND THE FEAR OF POVERTY.

IN LATE 1990, DR. GUIDA WEST OF THE FEDERATION TOOK THE LEAD IN ORGANIZING THE WELFARE REFORM NETWORK (WRN), A COALITION OF 60 ORGANIZATIONS REPRESENTING A DIVERSE GROUP OF ADVOCATES. WRN MONITORS THE IMPLICATIONS OF FSA IN NEW YORK STATE AND ADVOCATES FOR AN INCREASE IN WELFARE GRANTS. WE HAVE TAKEN THE POSITION THAT ADVOCATES SHOULD PUSH FOR AN ECONOMIC SECURITY PLAN. AN ECONOMIC SECURITY PLAN (ESP) SHOULD BE DESIGNED TO ENSURE SURVIVAL ABOVE POVERTY THROUGH EMPLOYMENT,

PUBLIC TRANSFERS AND OTHER ESSENTIAL SOCIAL SUPPORTS THROUGHOUT ONE'S LIFECOURSE. MANY OF ITS COMPONENTS ARE ALREADY IN PLACE. SOME NEED TO BE EXPANDED AND REMODELED TO MEET BROADER GOALS, OTHERS HAVE TO BE CREATED. BY COMBINING AND COORDINATING THEM, WE WOULD BE ABLE TO DEVELOP A SYSTEM THAT PROVIDES A MINIMAL BUT READILY ACCESSIBLE LEVEL OF SUPPORT FOR MILLIONS SUFFERING FROM POVERTY OR THE FEAR OF POVERTY.

FEDERALIZING AND EXPANDING AFDC TO RAISE BENEFITS TO THE POVERTY LEVEL IS ANOTHER CRITICAL COMPONENT OF AN ECONOMIC SECURITY PLAN. THIS WOULD ENHANCE THE ECONOMIC SECURITY OF ALMOST 20 MILLION CHILDREN AND ADULTS (8.5 MILLION CHILDREN AND 4.1 MILLION ADULTS ON AFDC AND 5.1 MILLION ON SSI). TWENTY YEARS AGO, IN ONE DRAMATIC STROKE, LEGISLATORS FEDERALIZED, CONSOLIDATED, AND INDEXED THREE MAJOR PUBLIC ASSISTANCE PROGRAMS FOR THE AGED, BLIND AND DISABLED, CREATING THE SUPPLEMENTAL SECURITY INCOME (SSI) PROGRAM. ONLY AFDC WAS BYPASSED. IN THE SHORT RUN, AFDC NEEDS TO BE RAISED AND INDEXED TO THE COST-OF-LIVING LIKE SSI. ASSET LIMITS FOR AFDC FAMILIES HAVE TO BE INCREASED FROM A PITIFUL $1000 LEVEL, AND INCOME RECEIVED FROM EITC, CHILD SUPPORT PAYMENTS, AS WELL AS SOME WAGES MUST BE DISREGARDED IN ESTABLISHING ELIGIBILITY. "FILL-THE-GAP" POLICIES IN SOME STATES ALREADY ALLOW PUBLIC ASSISTANCE RECIPIENTS TO KEEP ADDITIONAL EARNINGS AND INCOME UP TO THE STATE'S STANDARD OF NEED. WHILE THIS POLICY WOULD ADD

TO THE INCOME OF MANY WORKING POOR, ESPECIALLY AS STANDARDS OF NEED ARE IMPROVED, IT WOULD NOT HELP THOSE UNABLE TO FIND JOBS.

CHILD SUPPORT PROGRAMS ALSO NEED TO BE PART OF AN ECONOMIC SECURITY PLAN. THE REQUIREMENT THAT FATHERS CONTRIBUTE CHILD SUPPORT BECAME A MAJOR COMPONENT OF THE FAMILY SUPPORT ACT OF 1988. AFDC FAMILIES, HOWEVER, RECEIVE ONLY A $50 "PASS-THROUGH" REGARDLESS OF THE AMOUNT OF THE FATHER'S CONTRIBUTION. THE REST IS KEPT BY THE STATE. REPRESENTATIVES THOMAS J. DOWNEY (D-NY) AND HENRY J. HYDE (R-ILL) HAVE RECENTLY INTRODUCED THE CHILD SUPPORT ENFORCEMENT AND ASSURANCE PROPOSAL TO INCREASE THE INCOME PAID BY THE NON-CUSTODIAL PARENT AND TO GUARANTEE A MINIMUM FEDERAL PAYMENT OF $2000 TO $4000 TO ELIGIBLE FAMILIES WHO FAIL TO COLLECT FROM THE ABSENT FATHER. ONE IMPORTANT WORD OF CAUTION. WHILE IN PRINCIPLE THERE IS GENERAL CONSENSUS THAT FATHERS SHOULD CONTRIBUTE TO THEIR CHILDREN'S SUPPORT, THE DATA SUGGEST THAT THIS TRANSFER ADDS ONLY MINIMALLY TO THE INCOME NEEDS OF POOR FAMILIES.

TWO OTHER CRITICAL COMPONENTS OF AN ECONOMIC SECURITY PLAN ARE THE MINIMUM WAGE AND UNEMPLOYMENT INSURANCE. IN 1991 THE MINIMUM WAGE WAS RAISED TO $4.25 PER HOUR. TODAY, ANYTHING BELOW $6.33 PER HOUR PROVIDES LESS THAN AN ADEQUATE WAGE, ACCORDING TO THE INSTITUTE FOR WOMEN'S POLICY RESEARCH. IN ADDITION, 45 PERCENT OF ALL WOMEN WORKERS EARN LESS THAN THIS,

ESPECIALLY WOMEN OF COLOR. CLEARLY, THE MINIMUM WAGE NEEDS TO BE INCREASED. LIKEWISE, UNEMPLOYMENT INSURANCE NEEDS REVIEW AND EXPANSION. ESTABLISHED IN THE 1930S AS "THE FIRST LINE OF DEFENSE" AGAINST THE DOWNTURNS OF THE ECONOMY, IT WAS DESIGNED FOR FULL-TIME WORKERS AND FAILS TODAY TO HELP PART-TIME AND TEMPORARY WORKERS, MOST OF THEM WOMEN AND MINORITIES UNEMPLOYMENT INSURANCE NEEDS TO BE REVISED TO EXPAND BENEFITS AND ELIGIBILITY TO ENHANCE ITS EFFECTIVENESS AS A DEFENSE AGAINST ECONOMIC REVERSALS.

A FEDERAL TAX OVERHAUL IS ANOTHER INTEGRAL PART OF AN ECONOMIC SECURITY PLAN. THE WORKING FAMILY TAX RELIEF ACT OF 1991, INTRODUCED BY REPRESENTATIVE THOMAS J. DOWNEY (D-NY) AND SENATOR ALBERT GORE (D-TN), WOULD ELIMINATE MORE THAN TWO MILLION FAMILIES FROM THE FEDERAL TAX ROLLS AND PROVIDE REFUNDABLE CHILD CREDITS TO POOR FAMILIES. IT ALSO IS COORDINATED WITH OTHER POLICIES TO MAXIMIZE ITS EFFECTIVENESS. OTHER MEASURES TO REDUCE THE TAX BURDEN FOR THE POOR ARE CRITICAL.

GUARANTEED JOBS, AS SUGGESTED RECENTLY BY SENATORS DAVID L. BOREN (D-OK) AND PAUL SIMON (D-IL), ARE ANOTHER ESSENTIAL SOURCE OF INCOME IN ANY ECONOMIC SECURITY PLAN. THEIR PROPOSAL IS A MODERN DAY VERSION OF THE WPA (WORKS PROGRESS ADMINISTRATION) THAT PUT 8 MILLION AMERICANS TO WORK DURING THE

GREAT DEPRESSION. CAREFUL PLANNING, HOWEVER, MUST ASSURE WORKERS ADEQUATE BENEFITS AND PROTECTION FROM EXPLOITATION.

FINALLY, ANY ECONOMIC SECURITY PLAN MUST ALSO INTEGRATE SOCIAL SUPPORTS FOR SUCH BASIC NEEDS AS FOOD, GUARANTEED CHILD CARE, HEALTH INSURANCE, EDUCATION AND TRAINING, FAMILY AND MEDICAL LEAVE, AND HOUSING SUBSIDIES. FAMILY RESPONSIBILITIES CAN NO LONGER BE SACRIFICED AT THE ALTAR OF THE WORKPLACE. FAMILIES NEED TO BE ASSURED SUPPORTS SUCH AS CHILD CARE, TRAINING AND RETRAINING, AND HEALTH CARE. WHILE THE FAMILY SUPPORT ACT OF 1988 INCORPORATED SOME OF THESE GUARANTEES FOR A LIMITED POPULATION, ITS FUNDING WAS TOTALLY INADEQUATE. WE HAVE SOME CHILD CARE, SOME HEALTH CARE UNDER MEDICAID AND MEDICARE. ULTIMATELY, IT IS CLEAR THAT A UNIVERSAL HEALTH CARE SYSTEM MUST BE AN INTEGRAL PART OF ANY ECONOMIC SECURITY PLAN.

MANY WILL ASK: HOW WILL WE PAY FOR IT? WE REPLY: THE MONEY IS THERE. IN OUR OPINION THE CRITICAL QUESTIONS ARE: WHAT ARE OUR PRIORITIES? AND, WHO DECIDES? WE HAVE A ROLE TO PLAY! YES, I KNOW THERE IS A LOT OF AMBIVALENCE ABOUT WELFARE IN THE AMERICAN COMMUNITY AND WE OUGHT TO DISCUSS THAT. BUT OUR VOICES MUST BE HEARD ABOVE THE FRAY. I HAVE OFTEN SAID I HAVE PLAYED THE GAME, I HAVE DONE IT "THE OLD FASHIONED WAY" BUT I AM ONE MAJOR ILLNESS AWAY FROM WELFARE." THERE BUT FOR THE GRACE OF GOD GO I. WE MUST GET BUSY, WE ARE OUR SISTERS' KEEPERS.